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PRESS RELEASE

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Former Title and Escrow Agent Pleads Guilty to Mortgage Fraud **–Case Involves More Than \$1.8 Million in Loans**

WASHINGTON - Ronald Johannes Sneijder, 48, a former owner of a title and escrow company based in the District of Columbia, pled guilty today to the lead count in a recently filed indictment, bank fraud, announced U.S. Attorney Ronald C. Machen Jr. and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

Sneijder, of Herndon, Virginia, entered his guilty plea today before the Honorable Alan Kay in the U.S. District Court for the District of Columbia. He also agreed to forfeiture of \$1,256,000. He is to be sentenced later this summer or fall by the Honorable Emmet G. Sullivan. Sneijder faces a probable sentence under the sentencing guidelines of 30 to 37 months of incarceration, restitution in the amount of \$1,256,000, a fine, and other conditions.

The indictment against Sneijder was returned by a grand jury on May 13, 2011 and unsealed last week.

According to the statement of offense, signed by the defendant, Sneijder was the manager and majority owner of a title and escrow company known as Red Box Settlements, located in the 1600 block of U Street NW, Washington, D.C. On about January 13, 2004, Sneijder purchased a residence at 1325 Independence Avenue SE. About a month later, he refinanced the loan through Wells Fargo Bank, obtaining a home equity line of credit with a maximum credit limit of up to \$575,000.

In February 2005, the defendant sought a \$581,000 refinance loan from First Savings Mortgage Corporation, using as collateral his house at 1325 Independence Avenue SE, which was already encumbered with the home equity line of credit from Wells Fargo. First Savings Mortgage Corporation approved the loan on the condition that the Wells Fargo line of credit would be paid off and closed and the lien in the public record be "released" so that no additional money could be borrowed on the Wells Fargo line of credit, and so that there would be no other

loans that would take precedence over the First Savings Mortgage Corporation loan.

After settlement, Sneijder paid off the Wells Fargo line of credit but did not close it.

Thereafter, from March 2005 to November 2006, he again borrowed money against the Wells Fargo line of credit. He obtained cash advances up to approximately \$558,000 by the end of November 2006.

In May 2006, Red Box Settlements handled a real estate closing for a client identified in these proceedings as R.K. As part of the settlement, Red Box received approximately \$396,000 as the sales proceeds into its escrow exchange account held in trust for R.K. However, from May 2006 to November 2006, the defendant took approximately \$216,000 from the escrow exchange account to pay his personal and business expenses without permission and authority of R.K. Then, in November 2006, R.K. purchased another home and asked for the release of his money from the escrow exchange account; however, Red Box Settlements did not have sufficient funds in its escrow exchange account to honor the full demand and was unable to remit R.K.'s portion, that is, about \$313,000, directly to him.

Later in November 2006, Sneijder sought a \$675,000 loan from Wachovia Bank using as collateral 1325 Independence Avenue SE, which was already encumbered with the Wells Fargo home equity line of credit and the First Savings Mortgage Corporation loan. Wachovia approved the loan on the condition that the Wells Fargo line of credit would be paid, closed, and the Recorder of Deeds be notified of the closure so that no additional money could be borrowed on the Wells Fargo line of credit. The defendant paid down less than half of the line of credit, and again failed to close the Wells Fargo account. From January to August 2007, Sneijder again continued to borrow money against the Wells Fargo line of credit for a total amount due and owing of approximately \$573,000.

Sneijder failed to repay the approximate \$573,000 Wells Fargo line of credit, the \$581,000 First Savings Mortgage Corporation loan, and the \$675,000 Wachovia loan, resulting in foreclosure of 1325 Independence Avenue SE, the proceeds of which were insufficient in value to repay the approximate \$1,829,000 loaned to the defendant.

In announcing the plea, U.S. Attorney Machen and Assistant Director in Charge McJunkin commended the work of those who investigated the matter for the FBI's Washington Field Office, including Special Agents and Forensic Accountants. They also cited the efforts of those who worked on the case from the U.S. Attorney's Office, including Paralegal Specialists Diane Hayes and Sarah Reis, and Assistant U.S. Attorney Daniel Friedman. Finally they acknowledged the work of Assistant U.S. Attorney Virginia Cheatham, who is prosecuting the case along with the office's Asset Forfeiture and Money Laundering Section.